

Table A111: Accumulation of private wealth in rich countries, 1870-2010 (multiplicative decomposition)

	Private wealth-national income ratios		Decomposition of 1870-2010 wealth growth rate		
			Real growth rate of private wealth	Savings-induced wealth growth rate	Capital-gains-induced wealth growth rate
	β (1870)	β (2010)	g_w	$g_{ws} = s/\beta$	q
U.S.	421%	410%	3.4%	2.9% 86%	0.5% 14%
Germany	704%	412%	2.1%	3.9% 181%	-1.7% -81%
France	669%	575%	2.0%	2.8% 139%	-0.8% -39%
U.K.	695%	522%	1.7%	2.1% 120%	-0.4% -20%

The real growth rate of private wealth has been 3.4% per year in the U.S. between 1870 and 2010. This can be decomposed into a 2.9% savings-induced growth rate and a 0.5% residual term (capital gains and/or measurement errors).

Authors' computations using country national accounts. War destructions & other volume changes were included in savings-induced wealth growth rate. For full decomposition, see Appendix Country Tables US.4b, DE.4b, etc.